

The Gsp+ and Analyzing Exports of Uzbekistan to the European Union

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Abstract: The article reveals ways to increase the type and volume of products exported to EU countries within the framework of the "GSP+" (Generalized system of preferences), to increase the export potential of local products, to adapt products to international requirements and norms, and to implement them. The role and importance of the effective use of the "GSP+" system of benefits in export activities has been highlighted by the author.

Keywords: "GSP+" preferential system, export potential, local products, food and non-food products, export volume, international requirements.

Introduction.

Developing the national economy in Uzbekistan, ensuring its growth rate at the level of modern requirements, forming a competitive economy, taking local products to foreign markets and promoting the brand of Uzbek products on the world market, rapidly continuing reforms, raising them to a new modern level, and comprehensive socio-economic development of the regions are today's priorities. is one of the most urgent issues.

In the Decree of the President of the Republic of Uzbekistan dated January 28, 2022 No. PF-60 "On the Development Strategy of New Uzbekistan for 2022-2026" it is stated that "by increasing the export potential of the Republic, the export volume of the Republic will reach 30 billion US dollars in 2026, the system of supporting the activities of exporting enterprises" by actively continuing to increase the republic's export potential, introduce standards that meet the foreign market and international requirements and attract famous brands, increase the share of the private sector in exports to 60%, increase the export geography of goods from 115 to 150". [1]

On April 15, 2022, under the chairmanship of President Shavkat Mirziyoyev, at the meeting dedicated to the issues of "Ensuring price stability in the markets by increasing the production of food products and creating additional conditions for business support", effectively using the existing land resources, 7.7 million tons in 2022 It was emphasized that it is necessary to grow wheat and 23 million tons of fruits and vegetables and ensure export of 1.5 billion dollars. [2]

For this reason, it is necessary to implement part of the tasks indicated in this article, that is, first of all, to produce local products based on the requirements of international standards, to ensure their competitiveness, to increase the level of recognition, and secondly, to comprehensively support and encourage export, and to increase its volume steadily. ensuring success in export markets due to the diverse and unique environment in foreign markets is one of the most important tasks.

Literature review.

Iqbal Ahmad A. and Soomro Dr. Ishaque Ahmad Ansari interpret the benefits of GSP+ as follows: "The GSP+ is termed as a special incentive arrangement for sustainable development and good governance". [3] This definition focuses on two main concepts - sustainable development of the country and optimal management system. GSP+ is considered as an important step towards the development of the country's economy by generating additional income every year as a result of export growth. Rusudan Seturidze acknowledged that "Preferences are concentrated on countries which have not been classified by the World Bank as high or upper middle income economies for the past three years, based on Gross National Income per capita. [4]

According to Brynn Jonsson R. Julia "The GSP+ is a trade agreement that removes EU tariffs in exchange for the compliance of developing countries with international conventions, such as on human and labor rights, environmental protection, and good governance". [5]

J. de Coster describes that "The Generalised System of Preferences (GSP) enables exporters in developing countries to benefit from preferential tariffs in the markets of industrialised countries. Its aim is to help those countries to generate additional export revenue and reduce poverty". [6]

As the explanation of Siddiqui M.S. "The primary purpose of the GSP is contribute to the eradication of poverty and the promotion of the sustainable development and good governance in the developing countries".[7]

By analyzing the literature, it was found that obtaining the status of GSP+ beneficiary is one of the important factors of the economic development of the beneficiary country, attracting investments and raising the standard of living, free access to EU markets for the goods produced in the country.

Research methodology

This scientific article was developed using general and special research methods. In particular, the methods of analysis-synthesis, induction and deduction, scientific comparison, statistical analysis, as well as expert evaluation were used during the preparation of the scientific article.

Discussion

At the meeting dedicated to the development of local industry held on November 7, 2022 in the presence of the President of the Republic of Uzbekistan, the types of industrial products to be exported to the European Union countries in 2023 will be increased to 600, the export volume will be 700 million dollars, in particular, the types of electrical engineering products will increase from 7 to 20, and the types of leather industry products will increase to 10. to bring from 30; to increase the export volume of finished products by at least 2 times; it was noted to increase the export of home textile products by 200 million dollars, the export of carpet products by 200 million dollars, the export of construction materials by 800 million dollars, the export of pharmaceutical products by 120 million dollars, the export of furniture industry products by 50 million dollars, and the export of food products by 2 times. [8]

As we know, on April 9, 2021, the European side adopted a regulatory document on granting Uzbekistan the status of a beneficiary country under the General System of Preferences ("GSP+"). Based on this normative document, the system of special preferences of the European Union for sustainable development and effective management ("GSP+") came into force for Uzbekistan from April 10, 2021.

Before receiving the status of a beneficiary country of the "GSP+" system, Uzbekistan used benefits within the framework of the General System of Preferences ("GSP"). Within the framework of these privileges, the country had the opportunity to export 3,000 goods without customs duties and 3,200 goods at reduced customs duty rates to the markets of EU member countries.

As part of the European Union's system of special preferences for sustainable development and effective management ("GSP+") provided to the republic, Uzbekistan had the opportunity to export more than 6,200 items of goods to the European market without customs duties.

In particular, a wide range of textile products, footwear, agricultural products, vehicles, mineral fertilizers, oil and chemical industry products, construction materials, ceramic and metal products, and technological equipment, which have the main export potential of the republic, are exempt from customs duty.

If we give clear examples, within the framework of the "GSP+" system, in contrast to the "GSP" system, apple and tomato juices - 13.3-25.5%, peaches and apricots - 14.1-16.5%, frozen vegetables (potatoes, olives, tomatoes, etc.) - 10.9%, vehicles for cargo transportation - 15.4%, offal products - 11.9%, canned vegetables - 14.1%, fish meat and fillets - 14.5%, fruit juices - 14.5%, children's clothes - 8.4% and t-shirts - 9.6% customs duties were canceled. [9]

It should be noted that the use of benefits within the framework of the "GSP+" by the member countries of the European Union will significantly increase their export potential while ensuring the competitiveness of their local products on the European market.

Figure 1 was developed by the author so that local business entities can get information about which products and the amount of customs duties are applied to the benefits within this system.

As you can see from this figure, the exporting organization goes to <https://trade.ec.europa.eu/access-to-markets/en/home> to get information about the GSP+ status of its product. From this link platform, customs tariff numbers (HS code) of the exported product or the name of the product, as well as the exporting country and one of the EU countries to which the product is sent, are selected and the "search" button is clicked. As a result, it is possible to see the origin of the information on customs duties for products imported from third countries and "0" customs duty for countries that have obtained the "GSP+".

To determine which types of goods are covered by the GSP+, please refer to the following procedure.

Step 1

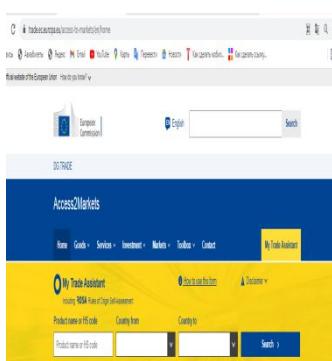
To find out which types of goods are covered by the GSP+, you should go to the link below.

<https://trade.ec.europa.eu/access-to-markets/en/home>

Step 2

Step 3

You will see a list of products like below. You can find out from it which products are covered by GSP+.



You should enter the HS code of the exported products or the name of the product, as well as the country of export and the country to be sent to the blank fields above, and press the SEARCH button.

Import to EU				
Results for product code 0809.10 from Uzbekistan to Germany				
Terms	Tariffs	Conditions	Footnote	EU law
Rules of origin	Since 01/01/2022			
Trade requirements	Origin Measure type			
Trade flow statistics	EU GSP+ 20.00%	EU GSP+ 20.00%		
How to read the results	Third country duty	EU GSP+ 20.00%		
	All third countries	EU GSP+ 20.00%		
	Excluding: United Kingdom	EU GSP+ 20.00%		
	Non preferential tariff quota	EU GSP+ 20.00%		
	(01/08/2021 - 31/05/2022)	EU GSP+ 20.00%		
	GSP+ (incentive arrangement for sustainable development and good governance)	EU GSP+ 20.00%		
	Tariff preference	EU GSP+ 20.00%		

Picture 1. Chart for information on which products the GSP+ benefit is applied to and how many are exempted from customs duties [10]

Table 1.

No.	Product sectors under GSP+ benefits	Number of products included in the list of GSP+ benefits
1	Food and agriculture	1 097
2	Textile and light industry	1 324
3	Chemistry, oil and gas	969
4	Electrical engineering	653
5	Metallurgy	467
6	Leather industry	105
7	Mechanical engineering	148
8	Construction	111
9	Others*	1 326
	Total:	6 200

Analysis of product sectors under GSP+ benefits [11]

* live animals, plants and their roots, jewelry, furniture, toys and other products.

As can be seen from the above table, there are 6,200 types, including food and agriculture - 1097 types, textile and light industry - 1324 types, chemical and oil and gas - 969 types, electrical engineering - 653 types, metallurgy - 467 types. leather industry - 105 types, machinery - 148 types, construction - 111 types, etc. - 1326 types of products can be exported to EU countries without customs duties.

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We consider the analysis of exports to the European Union and other countries within the scope of GSP+ benefits in terms of the types of products produced in the regions (Table 2).

Table 2 Analysis of products supplied to foreign markets within the framework of GSP+ during 2022

Analysis of products supplied to foreign markets within the framework of GSP+ during 2022								
No .	Name of Sectors	Number of product s	Analysis of products destined for export to the European Union under GSP+			Analysis of products destined for export to other countries under GSP+		
			product type	number of enterprises	Export quantit y (mln. doll.)	product type	number of enterprises	Export quantit y (mln. doll.)
1	Food and agriculture	1 097	81	158	29,8	291	1 824	1 140,5
2	Textile and light industry	1 324	226	204	177,8	604	1 529	3 100,8

3	Chemistry, oil and gas	969	30	47	45,6	242	546	1 138,7
4	Electrical engineering	653	58	28	6,9	275	308	148, 7
5	Metallurgy	467	61	45	33,0	218	428	1 179,0
6	Leather industry	105	6	6	0,59	64	213	59,4
7	Mechanical engineering	148	1	2	0,00 2	35	96	30,3
8	Construction	111	15	17	0,1	84	333	63,0
9	Others*	1 326	112	68	3,8	622	916	475, 5
	Total:	6 200	590	575	297, 6	2 435	6 193	7 335,9

Source: developed by the author

In 2022, within the framework of GSP+ benefits, 590 types of products have been shipped to EU countries by the Republic of Uzbekistan, equivalent to 300 million US dollars. Also, 2,435 types of products were delivered to the countries that do not provide GSP+ benefits with a value equal to 7.3 billion US dollars, and 24 times more exports were made than to the countries that provide the benefits.

Through the table below, we will consider the export analysis of other countries that have established exports to the European Union based on the benefits of the GSP status.

Table 3 Analysis of GSP beneficiaries with the largest share of EU imports [12]

No.	GSP beneficiary country	Imports from the European Union under the GSP (billion euros)	Total imports of the European Union (billion euros)	GSP imports total %
1	Bangladesh	16,766	17,401	96,4
2	India	16,378	43,601	37,6
3	Vietnam	8,994	37,531	24,0
4	Indonesia	6,616	15,557	42,5
5	Pakistan	5,885	6,74	87,3
6	Cambodia	4,987	5,255	94,9
7	Myanmar	1,926	2,189	88,0
8	Philippines	1,915	7,49	25,6
9	Sri Lanka	1,365	2,755	49,5
10	Mozambique	1,219	1,84	66,3

From the data of Table 3, it can be seen that Bangladesh and India from a number of countries with the GSP system of benefits delivered more than 16 billion Euro worth of products to the EU under these incentives. Also, the value of the products supplied by Vietnam, Indonesia and Cambodia to EU countries is 5-9 billion. The Philippines and Sri Lanka delivered products equal to 1-2 billion Euro to the markets of EU countries.

Conclusion and suggestions.

According to the results of the research and analysis, we believe that it is necessary to further develop marketing research in order to diversify the finished local products delivered from Uzbekistan to the European Union market. After Uzbekistan acquires the right to GSP+, it will

be appropriate to conduct diplomatic negotiations on the establishment of "green corridors" at the borders of these countries in order to significantly increase the volume of agricultural products exports to the EU countries.

Establishing the activity of centers that include services specialized in supplying the results of marketing research to the requirements of food, fruit and vegetable and industrial products in the markets of importing countries, the world market situation of products and the results of marketing research.

Taking measures to hold exhibitions and fairs in foreign markets considered promising for products within the scope of GSP+ benefits.

Further improvement of the work of introducing international standards and technical regulations to the activities of producers of products within the framework of GSP+ privileges by studying advanced foreign experience.

We believe that it is necessary to find promising buyers through the diplomatic missions of the Republic of Uzbekistan abroad with farmers and peasant farms and other manufacturing enterprises that grow and process products with international quality and safety certificates.

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